

FOX ROTHSCHILD LLP  
321 N. Clark Street, Suite 800  
Chicago, Illinois 60654  
Telephone: (312) 541-0151  
Allen J. Guon (*admitted pro hac vice*)

*Attorneys for Sherthal, LLC*

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re:

SEARS HOLDINGS CORPORATION,  
*et al.*,<sup>1</sup>

Debtors.

Chapter 11  
Case No. 18-23538 (RDD)  
(Jointly Administered)

**SHERTHAL, LLC'S CURE CLAIM OBJECTION  
FOR STORE NO. 4421 (NORTH HOLLYWOOD, CALIFORNIA)**

Sherthal, LLC ("Sherthal") pursuant to the *Order Approving Global Bidding Procedures and Granting Related Relief*, dated November 19, 2018 ("Global Bidding Procedures Order") hereby submits its cure claim objection ("Cure Claim Objection") under Section 365(b) of title 11, United States Code ("Bankruptcy Code") for cure of defaults resulting from Kmart Corporation's proposed assumption and assignment of an unexpired nonresidential real property lease for Kmart Store No. 4421 located in North Hollywood, California.

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); [BlueLight.com](http://BlueLight.com), Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); [Kmart.com](http://Kmart.com) LLC (9022); and Sears Brands Management Corporation (5365). The location of the Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

1. On October 15, 2018 (“Petition Date”), Sears Holdings Corporation and several of its affiliates, including Kmart Corporation, filed voluntary petitions under chapter 11 of the Bankruptcy Code.

2. As of the Petition Date, Sherthal was the landlord and Kmart Corporation (“Debtor”) was the tenant under a lease of nonresidential real property located in North Hollywood, California (Kmart Store No. 4421) dated as of April 7, 1970, as amended and modified from time to time (“Lease”).

3. On January 18, 2019, the Debtor served Sherthal with its *Notice of Cure Costs and Potential Assumption and Assignment of Executory Contracts and Unexpired Leases in Connection with Global Sale Transaction* (“Assumption Notice”).<sup>2</sup>

4. In the Assumption Notice, the Debtor indicated that the Lease may be assumed and assigned in connection with the sale of the Global Assets and asserted that no Cure Amount was due under the Lease.

5. The Debtor is in default of its monetary obligations under the Lease to pay additional rent including real estate taxes, insurance and other fees.

6. Sherthal’s monetary cure claim as of the filing of this Cure Claim Objection with respect to the Lease is an amount not less than \$36,417.04. A summary of the cure claim is attached as Exhibit A. Copies of the documentation supporting the monetary cure claim are attached as Exhibits B – D.

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<sup>2</sup> Capitalized terms not defined herein shall have the meanings ascribed to them in the Assumption Notice.

7. The categorical breakdown of the monetary cure claim is as follows:

<b>Category</b>	<b>Amount</b>
Real estate taxes for the period of July 1, 2018 – October 14, 2018	\$12,041.39 – See Ex. B.
Real estate taxes for the period January 1, 2019 – June 30, 2019	\$20,561.24 – See Ex. B.
Insurance	\$3,329.99 – See Ex. C.
Los Angeles annual inspection fees	\$484.42 – See Ex. D
<b>TOTAL</b>	<b>An amount not less than \$36,417.04</b>

8. In order to assume the Lease, the Debtor must cure the aforementioned defaults.

9. This Cure Claim Objection is without prejudice to the fact that other and additional cure claim amounts (a) may exist and/or may become known at a future date and (b) will accrue on an ongoing basis between the filing of this Cure Claim Objection and any subsequent assumption of the Lease. Sherthal expressly reserves its right to amend or supplement its Cure Claim Objection though and including the effective date of any proposed assumption and assignment of the Lease.

**FOX ROTHSCHILD LLP**  
Attorneys for Sherthal, LLC

By: /s/Allen J. Guon

Allen J. Guon, Esq.  
Fox Rothschild LLP  
321 N. Clark Street, Suite 800  
Chicago, Illinois 60654  
Telephone: (312) 541-0151  
E-Mail: [aguon@foxrothschild.com](mailto:aguon@foxrothschild.com)

Dated: January 23, 2019  
New York, NY

**CERTIFICATE OF SERVICE**

Allen J. Guon certifies that he caused to be served a true and correct copy of the attached **Sherthal, LLC's Cure Claim Objection For Store No. 4421 (North Hollywood, California)** via transmission of Notice of Electronic Filing generated by CM/ECF on all parties of record, and on parties listed below as indicated.

**FOX ROTHSCHILD LLP**  
Attorneys for Sherthal, LLC

By: /s/Allen J. Guon

Allen J. Guon, Esq.  
Fox Rothschild LLP  
321 N. Clark Street, Suite 800  
Chicago, Illinois 60654  
Telephone: (312) 541-0151  
E-Mail: [aguon@foxrothschild.com](mailto:aguon@foxrothschild.com)

## **SERVICE LIST**

### **VIA EMAIL**

#### I. Bid Notice Parties

##### a. Debtors

Rob Riecker: [rob.riecker@searshc.com](mailto:rob.riecker@searshc.com)  
Luke Valentino: [luke.valentino@searshc.com](mailto:luke.valentino@searshc.com)  
Mohsin Meghji: [mmeghji@miiipartners.com](mailto:mmeghji@miiipartners.com)  
General Counsel: [counsel@searshc.com](mailto:counsel@searshc.com)

##### b. Debtors' counsel

Ray Schrock, Esq.: [ray.schrock@weil.com](mailto:ray.schrock@weil.com)  
Jacqueline Marcus, Esq.: [jacqueline.marcus@weil.com](mailto:jacqueline.marcus@weil.com)  
Garrett A. Fail, Esq.: [Esq.garrett.fail@weil.com](mailto:Esq.garrett.fail@weil.com)  
Sunny Singh, Esq.: [sunny.singh@weil.com](mailto:sunny.singh@weil.com)  
Ellen J. Odoner, Esq.: [Ellen.Odoner@weil.com](mailto:Ellen.Odoner@weil.com)  
Gavin Westerman, Esq.: [Gavin.Westerman@weil.com](mailto:Gavin.Westerman@weil.com)

##### c. Debtors' investment banker:

Brandon Aebersold and Levi Quaintance: [project.blue.rx@lazard.com](mailto:project.blue.rx@lazard.com)

#### II. Buyer Parties

##### a. Buyer

Kunal S. Kamalani: [kunal@eslinvest.com](mailto:kunal@eslinvest.com)  
Harold Talisman: [harold@eslinvest.com](mailto:harold@eslinvest.com)

##### b. Counsel

Christopher E. Austin, Esq.: [caustin@cgsh.com](mailto:caustin@cgsh.com)  
Benet J. O'Reilly, Esq.: [boreilly@cgsh.com](mailto:boreilly@cgsh.com)  
Sean A. O'Neal, Esq.: [soneal@cgsh.com](mailto:soneal@cgsh.com)

#### III. Consultation Parties

##### a. Bank of America

Paul Leake, Esq.: [Paul.Leake@skadden.com](mailto:Paul.Leake@skadden.com)  
Shana Elberg, Esq.: [Shana.Elberg@skadden.com](mailto:Shana.Elberg@skadden.com)  
George Howard, Esq.: [George.Howard@skadden.com](mailto:George.Howard@skadden.com)

##### b. Wells Fargo Bank

Kevin J. Simard, Esq.: [ksimardachoate.com](mailto:ksimardachoate.com)  
Jonathan D. Marshall, Esq.: [jmarshall@choate.com](mailto:jmarshall@choate.com)

c. Committee

Ira S. Dizengoff, Esq. : [idezengoff@akingump.com](mailto:idezengoff@akingump.com)

Philip C. Dublin, Esq.: [pdublin@akingump.com](mailto:pdublin@akingump.com)

Abid Qureshi, Esq.: [aqureshi@akingump.com](mailto:aqureshi@akingump.com)

Sara L. Brauner, Esq.: [sbrauner@akingump.com](mailto:sbrauner@akingump.com)

**VIA FIRST CLASS MAIL**

Transform Holdco, LLC  
c/o ESL Partners, Inc.  
Attention: Kunal S. Kamalani and Harold Talisman  
1170 Kane Concourse, Suite 200  
Bay Harbor Islands, FL 33154

Sears Holdings Corporation  
Attn: General Counsel  
3333 Beverly Road  
Hoffman Estates, IL 60179

Weil, Gotshal & Manges LLP  
Attention: Ray C. Schrock, P.C.,  
Ellen J. Odoner, Gavin Westerman and Sunny Singh  
767 Fifth Avenue  
New York, New York 10153

Cleary Gottlieb Steen & Hamilton LLP  
Attention: Christopher E. Austin,  
Benet J. O'Reilly and Sean A. O'Neal  
One Liberty Plaza  
New York, NY 10006